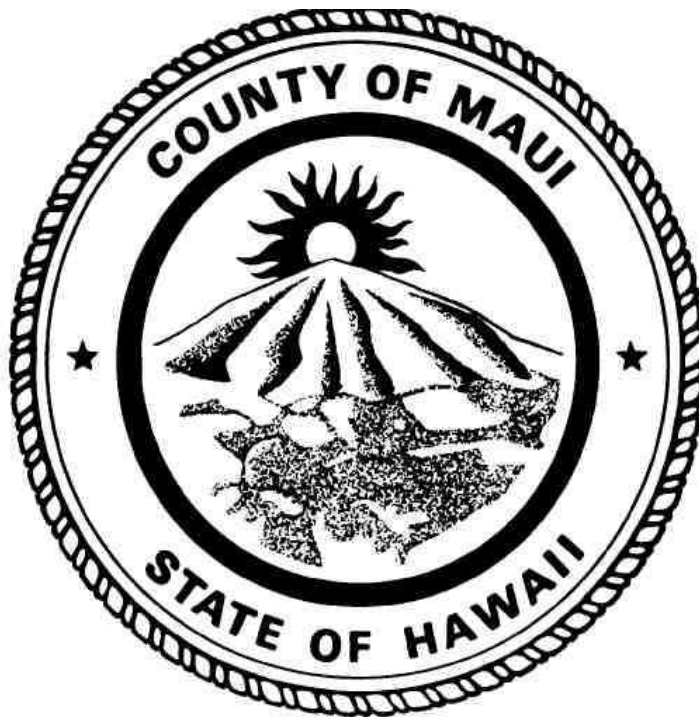


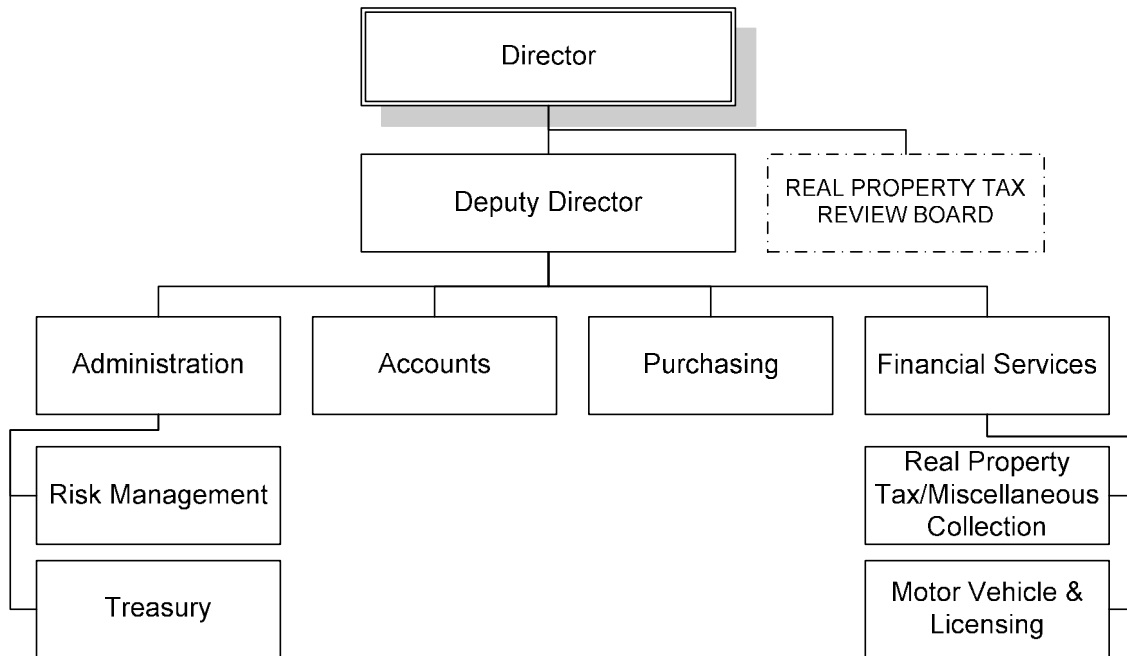
Proposed Budget • Fiscal Year 2007

DEPARTMENT OF
Finance



Department Summary

Organization Chart



Mission Statement

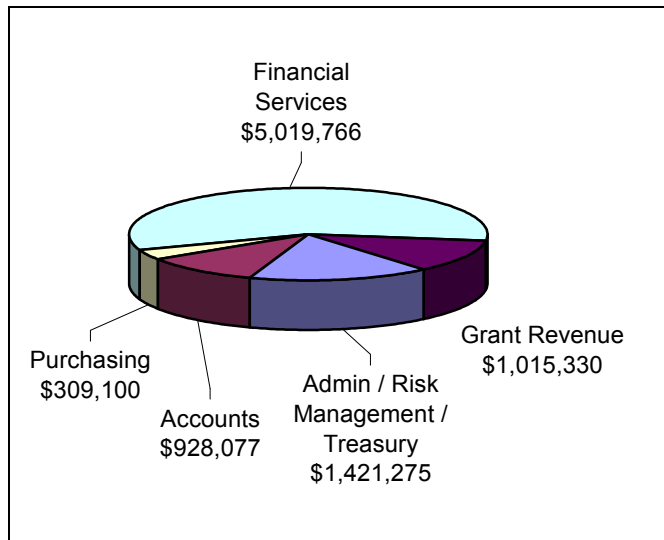
The mission of the Department of Finance is to constantly strive towards excellence in managing the public's financial and physical resources by providing quality financial services.

Financial Summary

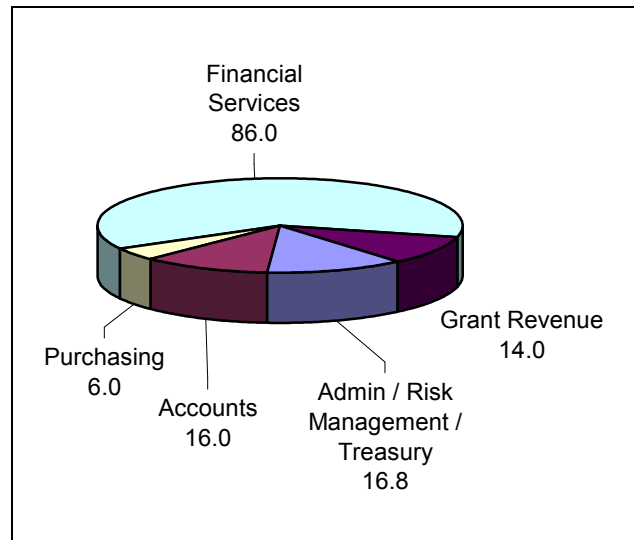
	FY 2004 Actual	FY 2005 Actual	FY 2006 Budgeted	FY 2007 Request	Change Amount	% Change
Program Summary						
General Fund						
Admin/Risk Management/Treasury	788,982	859,892	1,154,101	1,421,275	267,174	23.1%
Accounts	735,105	850,576	816,668	928,077	111,409	13.6%
Purchasing	268,631	256,200	280,825	309,100	28,275	10.1%
Financial Services	2,953,438	3,497,773	4,310,981	5,019,766	708,785	16.4%
Countywide Costs	55,185,759	59,310,453	81,934,170	86,867,315	4,933,145	6.0%
Subtotal	59,931,915	64,774,894	88,496,745	94,545,533	1,115,643	1.3%
Grant Revenue						
Financial Services	602,944	632,095	1,101,666	1,015,330	-86,336	-7.8%
Subtotal	602,944	632,095	1,101,666	1,015,330	-86,336	-7.8%
Total	60,534,859	65,406,989	89,598,411	95,560,863	1,029,307	1.1%

Department Summary

FY 2007 Budget by Program



FY 2007 Budgeted Personnel Summary



*Chart does not include Countywide Costs

Equivalent Personnel Position Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Budgeted	FY 2007 Request	Change Amount	% Change
General Fund						
Admin/Risk Management/Treasury	12.8	14.8	15.8	16.8	1.0	6.3%
Accounts	14.0	16.0	14.0	16.0	2.0	14.3%
Purchasing	6.0	6.0	6.0	6.0	0.0	n/a
Financial Services	65.0	72.0	76.0	86.0	10.0	13.2%
Subtotal	97.8	108.8	111.8	124.8	13.0	11.6%
Grant Revenue						
Financial Services	14.0	14.0	18.0	14.0	-4.0	-22.2%
Subtotal	14.0	14.0	18.0	14.0	-4.0	-22.2%
Total	111.8	122.8	129.8	138.8	9.0	6.9%

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Administration/Risk Management/Treasury Program***Program Description***

This is a three-fold program consisting of Administration, Risk Management and Treasury. The Administration (Director's office) is responsible for the financial administration of all County departments. In addition to this financial responsibility, activities center on support of the Director and Deputy Director by providing departmental and personnel support, related duties and countywide activities. Risk Management coordinates countywide programs for risk and loss control, insurance management, claims management, fund management and security and emergency preparedness. Treasury is responsible for managing and investing the County's cash, issuing and maintaining bonds, financing projects, managing debt and ensuring our investments are secure and adequately collateralized. In addition, Treasury prepares billing statements and collects for various County charges, the most notable exceptions being sewer, leases, rentals and other miscellaneous revenues.

Goals

- Provide oversight of the financial procedures of the County, preserve the financial integrity of the County through internal audit and fiscal control, and achieve and sustain the County of Maui's fiscal and structural balance
- Protect the County against the financial consequences of accidental losses that may be catastrophic in nature
- Reduce the costs of accidents, including insurance premiums, through effective safety programs and practices
- Ensure a safe environment for employees and for members of the public who come into contact with these employees as services are provided
- Periodically reassess the County's various exposures to loss, ability to bear financial loss, and its risk avoidance, prevention, reduction, retention and transfer programs
- Collect fees due the County in a regular and timely manner
- Generate a return on investments at or above the one year U.S. bank average yield
- Effectively issue County debt

Objectives for Fiscal Year 2007

- Implement the Return to Work Program
- Conduct a countywide risk management assessment and produce a Risk Management Manual
- Improve countywide asset and lease management program
- Preserve the integrity of the investment financial system
- Ensure professionalism, excellence, integrity and accountability in the management and conduct of the Treasury division
- Focus on Treasury's top management priorities to provide more efficient and effective recording of monies
- Issue a 2007 series bond offering in alignment with financial requirements of the County

Administration/Risk Management/Treasury Program

Performance Measures

	FY05 Actual	FY06 Projection	FY07 Projection
▪ Countywide financial audit with no significant findings	Yes	Yes	Yes
▪ Standard and Poor's / Fitch bond rating	AA-	AA-	AA-
▪ Moody's bond rating	Aa3	Aa3	Aa3
▪ Number of workers compensation claims	222	198	120
▪ Total reported injury incident rate	9.4%	8.4%	5.1%
▪ Open claims median days	263	241	200
▪ Conduct worksite safety visits	27	30	36
▪ Implement Return-to-Work program at the department level by June 30, 2007	1 st draft	Union reviewed	Department Implemented
▪ Risk Management Assessment/Risk Management Manual	n/a	n/a	Completed
▪ Days between purchase/sale of investment and recording investment activity	n/a	n/a	1
▪ Days to complete reconciliation of investments and compare to third party records	n/a	n/a	2
▪ Conduct quarterly investment committee meetings	n/a	n/a	4

Accomplishments for Calendar Year 2005

- Installed 21 Automated External Defibrillators (AED) at various locations in the County, including community centers and the County building
- Developed proposal for Return to Work program. Initiated next phase whereby proposal is to be reviewed by DPS, other departments and union(s)
- Initiated program to establish an insurance brokerage to develop the County's insurance program
- Successfully completed issuance of 2005 series bonds for the County and convinced rating agencies to remove negative watch from County's bond rating
- In January, the County issued the second largest bond offering in its history of \$59,300,000 which included \$21 million in new money and refunding of portions of the County's 1998 Series A and C bonds and the 1999 Series A, which produced net present value savings of \$1,455,582
- The County had approximately 99% of its cash invested in interest bearing securities. Treasury met its program measure without impairing liquidity. At June 30, 2005, total investments held were \$147,320,000, with an average yield of 3.0% and an average maturity of 264 days. The short average maturity reflected Treasury's defensive position in the current interest environment

Administration/Risk Management/Treasury Program

Accomplishments for Calendar Year 2005 (Continued)

- Treasury focused considerable effort on significantly reducing landfill accounts receivable; slashed receivables to a record low of \$964,611, a 53% decline from two years ago

Major Fiscal Year 2007 Budget Items

- Salaries and wages in the amount of \$848,020, which includes an increase of 1.0 E/P count, Safety Specialist II transferred from the Department of Police, Administration Program
- Operational expenses for the lease office space at One Main Plaza in the amount of \$83,500
- Equipment purchase of replacement and additional vehicles in the amount of \$52,000, and conference room furniture in the amount of \$10,000

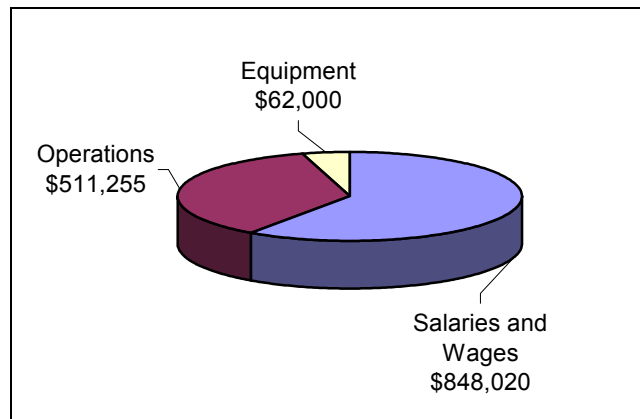
Expenditure Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2007 Request	Change Amount	% Change
General Fund						
Salaries and Wages	570,331	671,881	727,346	848,020	120,674	16.6%
Operations	216,229	159,537	423,755	511,255	87,500	20.6%
Equipment	2,422	28,474	3,000	62,000	59,000	1966.7%
Program Total	788,982	859,892	1,154,101	1,421,275	267,174	23.1%
Equivalent Personnel						
General Fund	12.8	14.8	15.8	16.8	1.0	6.3%

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Personnel Position Summary

Position Title	FY 2007	
	Permanent	LTA
Accountant II	1.0	
Accountant III	1.0	
Administrative Assistant II	1.0	
Auditor	1.0	
Clerk II	1.0	
Deputy Director	1.0	
Director	1.0	
Insurance & Claims Assistant	1.0	
Loss Control Specialist	1.0	
Parking Lot Aide (30 hrs./week)	0.8	
Personnel Assistant II	1.0	
Private Secretary	1.0	
Property Asset Manager	1.0	
Risk Management Officer	1.0	
Safety Specialist I	1.0	
Safety Specialist II	1.0	
Treasurer	1.0	
TOTAL	16.8	0.0

FY 2007 Budget by Expenditure

Accounts Program

Program Description

The Accounts program provides the centralized accounting and financial reporting for all County operations. Additionally, Accounts administers the County's accounts payable, fixed assets and payroll responsibilities.

Goals

- Process accounts payable and issue payments in a timely and efficient manner
- Develop and implement an online personnel/payroll system
- Implement cost accounting methodology to financial reporting to identify the cost of providing services

Objectives for Fiscal Year 2007

- Process payments on a timely basis
- Provide payment to employees who provide governmental services
- Achieve timely release of financial reports
- Implement web based version of the IFAS accounting system (version 7i) which will provide for more efficient accounts payable processing

Performance Measures

	FY05 Actual	FY06 Projection	FY07 Projection
▪ A/P transaction count	130,581	136,600	139,300
▪ A/P checks processed	49,503	54,300	51,000
▪ A/P dollar amount (\$000)	156,838	187,000	175,000
▪ Average days to process payments	45	45	45
▪ Number of payroll checks processed	55,785	56,000	56,000
▪ Average days to process premium pay	7	7	7

Accomplishments for Calendar Year 2005

- The Government Finance Officers Association of the United States and Canada (GFOA) awarded the County the Certificate of Achievement for Excellence in Financial Reporting for the County's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year 2004 CAFR
- Implemented the in-house P2K payroll system in May 2005

Accounts Program

Major Fiscal Year 2007 Budget Items

- Salaries and wages in the amount of \$780,434, which includes expansion positions of 2.0 E/P count, Accountant I and Pre-Audit Clerk I

Expenditure Summary

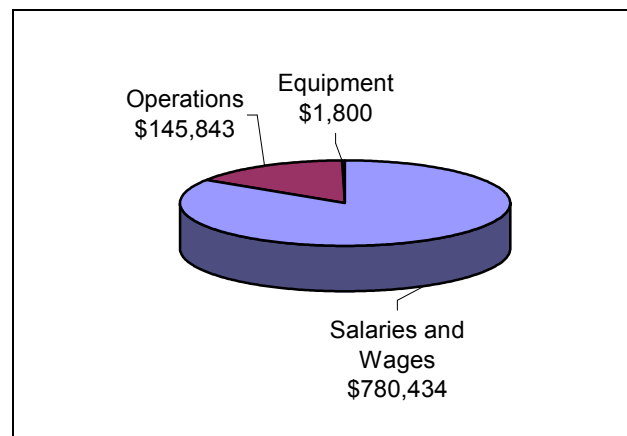
	FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2007 Request	Change Amount	% Change
General Fund						
Salaries and Wages	588,678	695,190	671,025	780,434	109,409	16.3%
Operations	146,427	154,251	145,643	145,843	200	0.1%
Equipment	0	1,135	0	1,800	1,800	n/a
Program Total	735,105	850,576	816,668	928,077	111,409	13.6%
Equivalent Personnel						
General Fund	14.0	16.0	14.0	16.0	2.0	14.3%

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Personnel Position Summary

Position Title	FY 2007	
	Permanent	LTA
Accountant I	3.0	
Accountant III	1.0	
Accountant IV	1.0	
Accountant V	1.0	
Accounting System Administrator	1.0	
Control Accounts Clerk	2.0	
Fiscal Control Analyst	1.0	
Pre-Audit Clerk I	2.0	
Pre-Audit Clerk II	2.0	
Pre-Audit Clerk III	2.0	
TOTAL	16.0	0.0

FY 2007 Budget by Expenditure



Purchasing Program

Program Description

The purchasing program provides a centralized system for administering construction bids and procuring goods and services in compliance with State and County procurement laws. Goods purchased are of a wide variety ranging from everyday supplies to customized and complex equipment. Services purchased range from consulting contracts to equipment maintenance contracts.

Goals

- Continue to find ways to improve internal efficiencies and thus reduce the transaction costs for our procurement activities, including our effort beginning in Fiscal Year 2006 towards paperless purchasing
- Continue to comply with and oversee compliance of all County departments on the myriad of purchasing laws and regulations
- Continue to search for and to take advantage of any opportunities to save money through life cycle costing approaches and other cost saving techniques

Objectives for Fiscal Year 2007

- Complete the ongoing implementation of our procurement card program
- Continue the implementation of the new version of our accounting system (IFAS) started in FY06, including utilizing the capability of the software to reduce or eliminate as much paper as possible, including requisitions, purchase orders, and quotations

Performance Measures

	FY05 Actual	FY06 Projection	FY07 Projection
▪ Dollar volume of procurement card credit cards	1,045,000	1,400,000	1,800,000
▪ Implementation of paperless processing by purchase order volume	0%	20%	80%

Accomplishments for Calendar Year 2005

- Expanded the use of the procurement card credit card
- Automated the transfer of procurement card statement data directly into our Accounts Payable system

Major Fiscal Year 2007 Budget Items

- Salaries and wages in the amount of \$294,637

Purchasing Program

Expenditure Summary

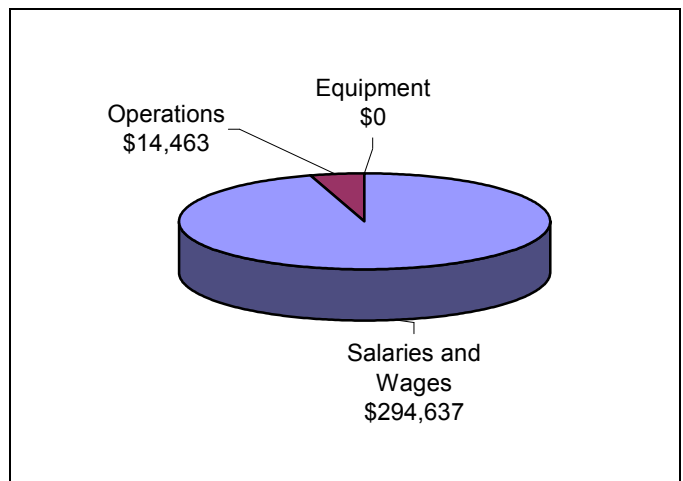
	FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2007 Request	Change Amount	% Change
General Fund						
Salaries and Wages	260,838	251,485	266,362	294,637	28,275	10.6%
Operations	7,713	4,715	14,463	14,463	0	n/a
Equipment	80	0	0	0	0	n/a
Program Total	268,631	256,200	280,825	309,100	28,275	10.1%
Equivalent Personnel						
General Fund	6.0	6.0	6.0	6.0	0.0	n/a

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Personnel Position Summary

Position Title	FY 2007	
	Permanent	LTA
Buyer II	1.0	
Central Purchasing Agent	1.0	
Clerk III	1.0	
Contracts Clerk	1.0	
Purchasing Specialist III	1.0	
Purchasing Specialist V	1.0	
TOTAL	6.0	0.0

FY 2007 Budget by Expenditure



Financial Services Program

Program Description

The Financial Services Program consists of the Motor Vehicle and Licensing Division and the Real Property Tax Division.

The Motor Vehicle and Licensing Division provides direct service to the citizens of Maui County by issuing new and renewal driver licenses, motor vehicle registrations, various county business licenses, disabled parking placards, taxi driver's permits, dog and bicycle licenses; and by overseeing the abandoned vehicle program for the island of Maui. Administered on behalf of the State of Hawaii are the commercial driver licensing, periodic motor vehicle inspection, and the collection of motor vehicle registration fees.

The Real Property Tax Division is responsible for appraising, assessing, and collecting real property taxes fairly and uniformly, in compliance with the Maui County Code and the budget ordinance. They are also responsible for providing timely billing, collection and banking of real property taxes.

Goals

- Ensure the timely collection of taxes billed
- Reduce the number of appeals filed. Reduce disputed taxes refunded
- Reduce public dependency for real property tax information through Mauipropertytax.com
- Efficiently and properly issue licenses and register motor vehicles and bicycles in a timely and consistent manner in compliance with pertinent laws and regulations

Objectives for Fiscal Year 2007

- Develop resources within the division to provide comprehensive, efficient and complete service delivery. This includes personnel, staffing, and knowledge development
- Continue to develop computer-aided drawing technology within Real Property Tax for mapping purposes
- Increase use of technology to gain efficiency in operations
- Pursue opportunities for taxpayer education
- Develop legislative proposals to further refine statutes to the benefit of County and government operations
- Implement online (internet) motor vehicle registration and renewal process
- Reduce number of customers served at Kahului Service Center (KSC) and minimize customer wait time

Performance Measures

	FY05 Actual	FY06 Projection	FY07 Projection
▪ Ratio of taxes collected to current billing which include penalties, interest and prior year delinquencies	97%	98%	98%
▪ Number of appeals filed	336	500	500

Financial Services Program

Performance Measures (Continued)

	FY05 Actual	FY06 Projection	FY07 Projection
▪ Appeals denied	169	150	150
▪ Total taxes disputed, in dollars	1,722,592	2,000,000	2,000,000
▪ Disputed taxes refunded, in dollars	491,355	1,200,000	1,200,000
▪ Number of online registration renewals processed	n/a	7,200	7,200
▪ Percentage processed and mailed within 1 working day	n/a	85%	85%
▪ Number of credit card transactions processed	n/a	15,000	15,000
▪ Total number of vehicle registration transactions processed through the Batch Renewal System	49,234	60,000	60,000
▪ Number of DMVL customers served at KSC	108,290	112,000	100,000
▪ Average customer wait time in minutes at KSC	74	45	45
▪ Total number of driver licensing related transactions processed	80,816	90,000	90,000
▪ Total number of mail pieces processed	79,933	80,000	80,000

Accomplishments for Calendar Year 2005

- Circuit Breaker presentations by the Real Property Tax staff included Molokai, Lanai, Lahaina, Kihei, Kula, Paia, Wailuku and Hana. Handouts and application forms for this tax relief were distributed as well as addressing questions concerning the RPT program (i.e. home exemption, agricultural use assessments, appraisal process, etc.)
- In response to taxpayers' concerns regarding one aspect of the qualifications for the Circuit Breaker Credit, the County Council unanimously approved Ordinance No. 3228 and Bill No. 77 allowing inclusion of all building structures located on a parcel for the calculation of the credit. However, this action was negated by an across-the-board increase in the home exemption amount to \$200,000 which resulted in the decrease in the number of applications by 218 for 2006 over the previous year
- In defense of the appraisal process for real property taxation purposes, the Real Property Tax Division was able to convince the County Council to avoid mandating the classification of residential zoned properties that were used for transient vacation rentals as "Hotel" for tax calculation purposes. Taxation based on the illegal use of a property contradicts the basis of valuation for tax purposes, which is to value a property at its highest and best use as determined by zoning
- Implementation of a DMVL service representative in the service center lobby
- Road testing was made available in Kihei and Lahaina
- Established an upcountry satellite office at the Hannibal Tavares Center

Financial Services Program

Major Fiscal Year 2007 Budget Items

- Salaries and wages in the amount of \$3,283,736, which includes expansion positions of 10.0 E/P count, 3.0 Driver License Examiner, 2.0 DMVL Service Representative I, 4.0 DMVL Service Representative II, and an Assistant Motor Vehicle & Licensing Manager
- Operational expenses for the auto plates and tags in the amount of \$244,501, computer services in the amount of \$361,320, other services in the amount of \$222,610, electricity in the amount of \$12,900, and centralized postage in the amount of \$15,000
- Equipment purchase of replacement chairs for the motor vehicle registration section in the amount of \$12,450

Expenditure Summary

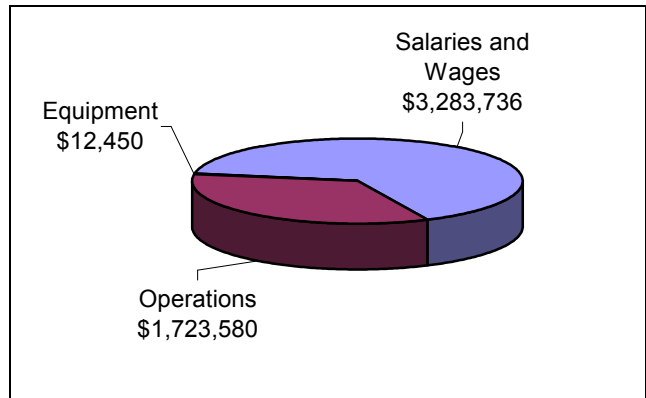
	FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2007 Request	Change Amount	% Change
General Fund						
Salaries and Wages	2,012,137	2,096,182	2,811,478	3,283,736	472,258	16.8%
Operations	808,938	1,317,525	1,416,003	1,723,580	307,577	21.7%
Equipment	132,363	84,066	83,500	12,450	-71,050	-85.1%
Program Total	2,953,438	3,497,773	4,310,981	5,019,766	708,785	16.4%
Grant Revenue						
Salaries and Wages	505,701	523,418	657,660	571,324	-86,336	-13.1%
Operations	97,243	108,677	444,006	444,006	0	n/a
Program Total	602,944	632,095	1,101,666	1,015,330	-86,336	-7.8%
Equivalent Personnel						
General Fund	65.0	72.0	76.0	86.0	10.0	13.2%
Grant Revenue	14.0	14.0	18.0	14.0	-4.0	-22.2%

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Financial Services Program

Personnel Position Summary

Position Title	FY 2007	
	Permanent	LTA
Abstracting Assistant II	2.0	
Abstractor I	3.0	
Account Clerk II	1.0	
Assistant CS Supervisor (B/O)	1.0	
Assistant CSC Supervisor (F/O)	1.0	
Assistant MVL Manager	1.0	
Cartographic Drafting Technician III	1.0	
Cashier II	2.0	
Clerk III	7.0	
Compliance Officer	1.0	
County Real Property Tax Administrator	1.0	
Customer Service Center Supervisor	1.0	
Delinquent Tax Collection Assistant II	1.0	
DMVL Service Representative I	4.0	
DMVL Service Representative II	21.0	
Driver License Examiner	12.0	
Motor Vehicle and Licensing Manager	1.0	
Property Valuation Analyst III	1.0	
Real Property Appraiser Assistant	2.0	
Real Property Appraiser I	3.0	
Real Property Appraiser IV	1.0	
Real Property Appraiser V	2.0	
Real Property Appraiser VI	2.0	
RP Assessment Records Supervisor	1.0	
Secretary I	1.0	
Service Representative III	6.0	
Tax Clerk I	3.0	
Tax Maps & Records Supervisor	1.0	
Tax Relief & Collection Supervisor	1.0	
Valuation Analyst I	1.0	
TOTAL	86.0	0.0

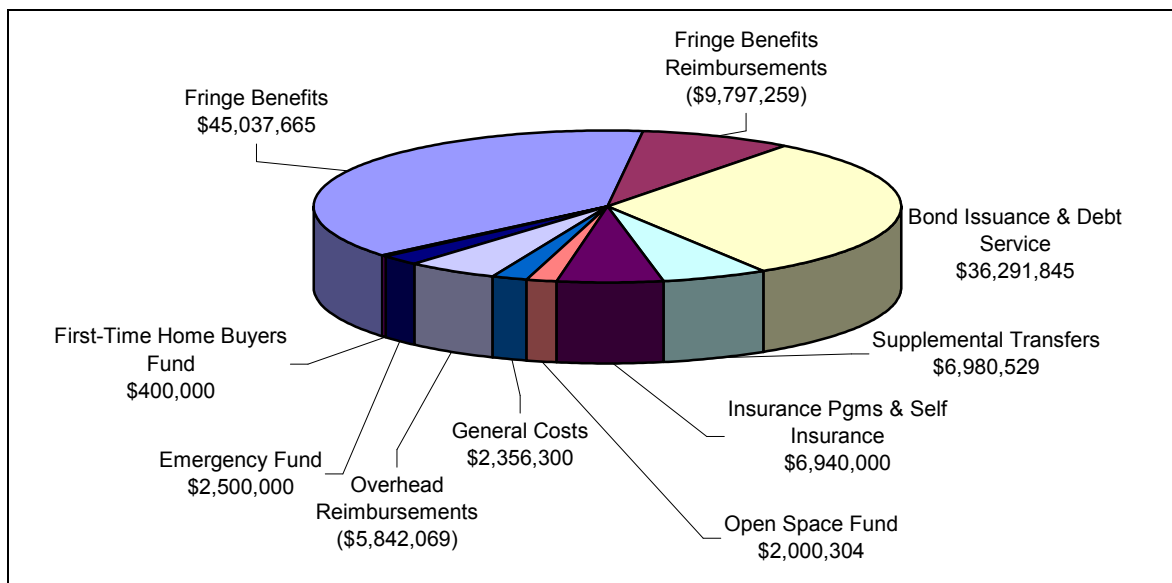
FY 2007 Budget by Expenditure

Countywide Costs

Expenditure Summary

	FY 2004 Actual	FY 2005 Actual	FY 2006 Budget	FY 2007 Request	Change Amount	% Change
General Fund						
Fringe Benefits	28,588,756	32,285,194	42,297,531	45,037,665	2,740,134	6.5%
Fringe Benefits Reimbursements	-6,075,222	-7,011,912	-8,595,606	-9,797,259	-1,201,653	14.0%
Bond Issuance & Debt Service	30,328,528	27,980,760	33,089,809	36,291,845	3,202,036	9.7%
Supplemental Transfers	2,008,578	528,088	2,695,220	6,980,529	4,285,309	159.0%
Insurance Programs & Self Insurance	2,327,924	2,742,880	4,940,000	6,940,000	2,000,000	40.5%
Open Space, Natural, Cultural Resources & Scenic Views Preservation Fund	1,166,972	1,309,363	1,618,929	2,000,304	381,375	23.6%
General Costs Overhead	1,001,432	1,797,165	8,492,407	2,356,300	-6,136,107	-72.3%
Reimbursements	-4,161,209	-4,321,085	-5,098,556	-5,842,069	-743,513	14.6%
Emergency Fund	0	4,000,000	1,548,436	2,500,000	951,564	61.5%
Lease Costs	0	0	546,000	0	-546,000	-100.0%
First-Time Home Buyers Fund	0	0	400,000	400,000	0	n/a
Program Total	55,185,759	59,310,453	81,934,170	86,867,315	4,933,145	6.0%

FY 2007 Budget by Expenditure



Gross Budgeted Expenditures	\$100,006,643
Interfund Reimbursements	(\$15,639,328)
Emergency Fund	\$2,500,000
Net Budgeted Expenditures	<u>\$86,867,315</u>